



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

January 9, 1996

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Lowell P. Braxton, Associate Director, Mining *LPB*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Approval, Amount and Form of Reclamation Surety, Kennecott Utah Copper, Tailings Modernization Project - North Expansion, M/035/015, Salt Lake County, Utah

The Division seeks Board approval of the amount and form of reclamation surety provided by Kennecott Utah Copper (KUC) for their Tailings Modernization Project, located in Salt Lake County, Utah. The form of surety is a Letter of Credit, secured from Morgan Guaranty Trust Company (c/o JP Morgan Services, Inc.) in the amount of \$17,485,000. The Project involves a northern expansion to the existing impoundment which will provide approximately 3500 acres of additional storage capacity for processed tailings over the next 25-30 years of continued mining activity.

A notice of the Division's intent to issue tentative approval was published on December 28, 1995. The thirty (30) day public comment period will expire on January 28, 1996. Unless the Board has other objections or concerns, the Division recommends that the Board condition its approval of the amount and form of reclamation surety. Final Board approval would become effective following the successful expiration of the 30-day public comment period, assuming no substantive public comments are received.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Location map
3. Executive summary
4. Reclamation surety estimate
5. Reclamation Contract (From MR-RC)
6. Reclamation Surety - Letter of Credit

Thank you for your time and consideration of this request.

Attachments
M035015.brd

